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POLICY ISSUES: COORDINATION AND COOPERATION WITHIN AND OUTSIDE THE UNITED NATIONS, INCLUDING NON-GOVERNMENTAL ORGANIZATIONS

Action plan on complementarity between the activities undertaken by the United Nations Environment Programme under the Global Environment Facility and its programme of work

Summary

The present document presents the suggested action plan on complementarity between the activities undertaken by the United Nations Environment Programme within the framework of the Global Environment Facility (GEF) and its work programme in relation to document UNEP/GC.20/8 on the participation of UNEP in the work of the Global Environment Facility (GEF).

Suggested action by the Governing Council

The Governing Council may wish to take note of the suggested action plan on complementarity betweer the activities undertaken by UNEP within the framework of GEF and its work programme in relation to document UNEP/GC.20/8 on the participation of UNEP in the work of the GEF and request the Executive Director to submit it to the GEF Council at its thirteenth meeting, to be held in Washington, D.C. from 5 to 7 May 1999.

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Background

1. At its meeting held in October 1998, the GEF Council requested the implementing agencies to continue their efforts to develop a strategic approach to the integration of global environmental issues into their regular programmes and to ensuring "complementarity" between GEF activities and those of their regular programmes. UNEP was requested to prepare "an action plan on complementarity and additionality". At its third meeting, held in Buenos Aires on 10 November 1998, the UNEP High-level Committee of Ministers and Officials considered this issue and requested the Executive Director to prepare a draft document for consideration at the twentieth session of the UNEP Governing Council, in February 1999. To assist the Executive Director in the preparation of the requested draft action plan, a joint meeting of the bureaus of UNEP's governing bodies was held in Geneva on 12 January 1999, at the invitation of the Government of Switzerland. The present report is submitted by the Executive Director in response to those requests. The document also responds to the Policy Recommendations of the GEF Replenishment, to the Study of the GEF's Overall Performance, and to the recommendations of the Governing Council that UNEP's role in the GEF be strengthened.

INTRODUCTION

2. UNEP is committed to realizing fully its mandate in GEF, as contained in the Instrument, and to continue strengthening its partnerships with the GEF secretariat and the other implementing agencies, based on its demonstrated comparative advantage. The objectives of this action plan are to ensure the effectiveness of UNEP as a GEF implementing agency, as well as to strengthen programmatic linkages with the revised UNEP programme of work for 1998-1999 and the proposed programme of work for 2000-2001. It also responds to the United Nations General Assembly resolution 53/187 of 15 December 1998, by which the Assembly welcomed the collaboration between UNEP and GEF on freshwater resources, as the global international water assessment, and activities aimed at combating land degradation as they relate to the focal areas of the Facility.

3. The proposed action plan is submitted for the consideration of the GEF Council taking fully into account the role, mandate and responsibility of the GEF Council as contained in the Instrument in developing, adopting and evaluating the operational policies and programs for GEF-financed activities. It recognizes the responsibilities of the GEF secretariat as defined in the Instrument, as well as the role and mandate of the other GEF partners, including UNDP and the World Bank.

4. The proposed action plan is based on the following principles and assumptions:

(a) The action plan is consistent with paragraph 11 of Annex D of the GEF Instrument, which defines the specific areas of emphasis of each Implementing Agency and, in respect of UNEP, states that:

> "UNEP will play the primary role in catalyzing the development of scientific and technical analysis and in advancing environmental management in GEF-financed activities. UNEP will provide guidance on relating the GEF-financed activities to global, regional and national environmental assessments, policy frameworks and plans, and to international environmental agreements. UNEP will also be responsible for establishing and supporting the Scientific and Technical Advisory Panel (STAP) as an advisory body to the GEF."

It is also consistent with the mission of the GEF to provide to eligible countries and in particular developing countries new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve global environmental benefits in the focal areas of climate change, biological diversity, international waters and ozone layer depletion. All elements of the proposed action plan will comply with GEF policies, operational principles, priorities and criteria adopted by the GEF Council;

(b) The action plan is based on the fact that the global environment is central to UNEP's core mandate and regular programme. This fact was also noted by the Study of the GEF's Overall Performance and the Policy Recommendations of the Second GEF Replenishment. The issue of complementarity must be shaped by this recognition. As stated in the Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme UNEP is charged with being the global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimension in sustainable development within the United Nations system and serves as an authoritative advocate of the global environment. Therefore, the global environmental objectives of the UNEP programme of work and of GEF converge and many activities of each designed to achieve these objectives, are consequently similar;

(c) UNEP's mission and GEF role may be summarized as follows: UNEP will seek to serve as a catalyst for new directions in GEF strategies and operations, based on its convening power and existing international scientific partnerships and environmental programmes. In particular, UNEP will aim to be more knowledge-based – expanding knowledge about environmental policies, institutions and technologies that work, and disseminating this information, in order to respond to the needs of GEF recipient countries to meet the incremental costs of achieving global environmental objectives;

(d) The action plan is predicated on the need to address certain policy and institutional issues and constraints – both internally within UNEP and externally.

5. An overview of the new UNEP programme of work is contained in section I of the proposed action plan. Section II outlines a framework for complementarity between the GEF activities undertaken by UNEP and its programme of work. The strategic objectives of UNEP in GEF are contained in section III. Internal and external measures to achieve complementarity are suggested in section IV.

THE UNEP PROGRAMME OF WORK

6. The UNEP programme of work is based on the following priority areas adopted by the Governing Council at its fifth special session, held in Nairobi from 20 to 22 May 1998:

(a) Early warning and assessment functions, so that UNEP has a comprehensive capacity to link monitoring, assessment, and early-warning, including emergency response mechanisms;

(b) Coordination and development of environmental policy instruments, including conventions for addressing the chemicals agenda, such as those relating to the prior informed consent (PIC) procedure and persistent organic pollutants (POPs), and economic instruments;

(c) Freshwater, including information, assessment, monitoring, diagnostic studies, action programmes and legal agreements for freshwater management;

(d) Industry and technology transfer, including promotion of cleaner-production approaches and voluntary initiatives with the private sector;

(e) Support to Africa, particularly with respect to land degradation, desertification and freshwater.

7. The UNEP programme of work has been reorganized into seven subprogrammes to implement these priorities. The proposed programme budget for the biennium 2000-2001 being submitted to the Governing Council at its twentieth session (UNEP/GC.20/22) amounts to $170 million, including counterpart contributions and trust funds other than GEF. The programme of work points to UNEP's comparative advantage and provides the overall framework for defining UNEP's GEF activities. The seven subprogrammes are briefly described below:

(a) Environmental assessment and early warning. The objective of the subprogramme is to keep under review the state of the global environment and help set priorities for international, regional and national environmental action. The subprogramme includes periodic integrated global assessments, such as the Global Environmental Outlook, as well as a series of sectoral/issue-oriented and subregional/regional assessments, on such issues as freshwater, atmosphere, the marine environment, land, and biological diversity. The proposed programme of work maintains UNEP's leading role in environmental data systems, trend analysis, analysis and networking. Particular emphasis is given to global environmental observing systems and early-warning information infrastructure to identify emerging issues, potential threats, hot spots and emergency situations. The subprogramme includes coordinated international scientific research efforts on, for example, environmental indicators and methodologies for assessments. UNEP is also now focusing increasingly on improving public access to environmental information and strengthening public participation in environmental decision-making;

(b) Policy development and law. The subprogramme's focus is on the analysis, review and development of environment-related policies within the context of sustainable development; the development of new and strengthening existing legal, economic, and other policy instruments as well as institutional frameworks (on, for example, invasive alien species, regional seas, and legislation to implement environmental agreements); and the promotion of the involvement of major groups in policy dialogue and consensus-building on environmental policy issues. Closely related to these activities is the provision of advisory services to Governments to strengthen their capacity to analyse, develop and implement global, regional and national policies and legal instruments. An important element of this subprogramme is the UNEP/IUCN Joint Environmental Law Information Service;

(c) Policy implementation. This subprogramme undertakes and supports UNEP's catalytic and selective implementation activities, such as advisory services to Governments, pilot projects, education, training and other capacity-building efforts in the environmental field. To maximize the cost-effectiveness and demonstration value of such activities, they are largely regional or subregional in nature and focused on a particular policy implementation issue. The primary emphasis of the technical cooperation activities is in areas of concentration within the UNEP programme. In addition, there are a small number of pilot projects to demonstrate and evaluate the effectiveness of environmental policies and implementation strategies, particularly in water management and environmental law, such as the UNDP/UNEP joint project on environmental law and institutions in Africa. Other areas include indigenous knowledge and best practices in biodiversity, urban environmental planning and management, and training in environmental management. The subprogramme is also responsible for mobilizing and coordinating international response to environmental emergencies;

(d) Technology, industry and economics. The objective of this subprogramme is to encourage decision makers in government, local authorities, and industry to develop and adopt policies, strategies and practices that: are cleaner and safer; make efficient use of natural resources; ensure adequate management of chemicals; incorporate environmental costs in decision making; and reduce pollution and risks to human and environmental health. The subprogramme promotes the development, use and transfer of policies, technologies, economic instruments, managerial practices, and other tools that assist in environmentally sound decision-making and the building of corresponding capacities. It helps prepare international agreements and guidelines, in particular the convention on persistent organic pollutants (POPs). The activities under the subprogramme, undertaken in cooperation with Governments, the private sector and non-governmental organizations, emphasize the management and development of society's technology base by adopting a long-term environmental perspective;

(e) Regional cooperation and representation. This subprogramme promotes, supports, and works with cooperative regional and subregional environmental frameworks to address regional and global environmental problems. The activities of the UNEP regional offices include policy advice, awareness-raising and resource mobilization, tailored to the needs and priorities of the regions concerned;

(f) Environmental conventions. This subprogramme promotes the development of complementary policies and programmatic approaches among the work programmes of related global and regional environmental conventions (UNEP hosts the secretariat for more than 60). It supports the development of new international conventions and agreements. The subprogramme also coordinates UNEP's programmatic support to the implementation of the work programmes of conventions and related international agreements, including the regional seas programmes. In particular, the subprogramme focuses on issues of common concern to the conventions, such as trade and environment; harmonization of nomenclature and legal principles; interlinkages of scientific assessments; development and application of indicators for measuring progress in implementation; and, streamlining national reporting to conventions. The UNEP programme of work also includes support to the Intergovernmental Panel on Climate Change (IPCC) and the Intergovernmental Forum on Forests, as well as public information for raising awareness on the status and implementation of global environmental conventions;

(g) Communications and public affairs. The subprogramme consists of activities to raise awareness of environmental issues and inform Governments, civil society, the media, interest groups and communities about emerging environmental problems.

8. In the context of complementarity with GEF, it is important to note the following characteristic features of the UNEP programme of work:

(a) UNEP's emphasis is on establishing environmental priorities and plans, scientific monitoring, building networks, analysing data and information to identify trends and facilitate global consensus, developing legal frameworks at the global, regional and national levels, disseminating policy and technical information, and promoting policies and actions to achieve global and regional environmental objectives;

(b) UNEP has a modest budget for activities designed to catalyse action on the part of Governments and other entities. UNEP's primary resource is its convening authority and its partnerships and networks. In many cases, UNEP's funding serves as catalytic seed money during the process of awareness-raising, consensus-building and developing action plans; subsequently, once these are developed, countries are responsible for accessing other domestic and international resources for implementation;

(c) UNEP's regular programme does not distinguish between global and domestic environmental benefits. It is not based on the concept of incremental costs. The programme of work covers the full range of environmental issues, going beyond the four focal areas of the GEF - biodiversity, climate change, international waters, and ozone depletion;

(d) UNEP has implemented, and will continue to implement, limited activities at the national level in support of wider regional and global analyses and the design of appropriate strategies for sound environmental management. Catalysing the development of scientific and technical analyses cannot be undertaken in isolation from the real world. UNEP's actions at the national level are designed to provide "ground-truthing" of the scientific and technical analyses that are extended to wider regional and global scales. Therefore, UNEP's programme of work includes country-level demonstration

activities, including activities designed to develop or test guidelines, components of regional projects, and activities that provide policy guidance at the national level. In all cases, UNEP works with and through partners in the scientific and environmental communities at national, regional, and international levels, as well as with the private sector.

II. COMPLEMENTARITY BETWEEN THE ACTIVITIES UNDERTAKEN BY UNEP UNDER GEF AND ITS PROGRAMME OF WORK

9. There are three elements to achieving complementarity between UNEP's role in GEF and its regular programme of work: additionality, synergy and integration.

A. Ensuring that GEF activities will be additional to the UNEP programme of work

10. The programme of work proposed for adoption at the twentieth session of the Governing Council does not include GEF funding, and all its outputs are funded primarily from the Environment Fund, the regular budget of the United Nations, trust funds, and counterpart contributions. The action plan proposes that UNEP's GEF activities will be additional to the outputs of the programme of work. However, these activities will be consistent with the mandate and overall programme objectives established by the UNEP Governing Council.

11. The following indicators are proposed for defining additionality in the context of UNEP:

(a) In agreement with GEF, the additional GEF funds could be applied for scaling up and replicating UNEP activities, demonstrating and applying methodologies and tools developed by UNEP, or adding complementary components to UNEP activities to achieve additional global environmental benefits;

(b) UNEP's GEF activities will be additional in the sense that they will respond directly and specifically to the operational programmes of GEF, and fill possible operational gaps in understanding and methodologies identified by the Scientific and Technical Advisory Panel (STAP), the GEF secretariat and the other implementing agencies;

(c) Issues on which the conferences of the parties to the Convention on Biological Diversity and United Nations Framework Convention on Climate Change have provided guidance to GEF as the financial mechanism for incremental-cost financing will be considered additional to the UNEP programme of work under the Environment Fund.

12. The principle of incrementality of GEF funds will also apply to the determination of appropriate counterpart contributions by UNEP's project partners. In this context, UNEP recognizes the need for advice on the range of options, rates of return and environmental benefits for national actions on the global environment, in order to promote country commitment, baseline funding, and financial sustainability for GEF activities.

B. Ensuring synergy between UNEP's GEF activities and its programme of work

13. Synergy in the context of UNEP's GEF activities means that GEF activities should build upon the UNEP programmes, and they should collectively add value to the global environment and to efforts to assist GEF-recipient countries. This in turn means that UNEP will seek to implement GEF activities in areas where the UNEP regular programmes, and/or those of its project partners, are active in the sector and region. In order to do this, the Executive Director will propose priorities and resource allocations in the programme of work necessary to ensure UNEP's comparative advantage in the implementation of GEF activities. A key requirement for achieving this synergy is to ensure inner consistency, as well as the appropriate balance and proportion between UNEP's GEF and regular programmes. It is also important to ensure equal emphasis between additionality and complementarity. The achievement of such synergy could be measured by the extent to which:

(a) UNEP's regular programmes serve as an effective pathway for the dissemination of information on results, best practices, lessons, and experiences gained through GEF operational activities, and vice versa, in order to stimulate replication as called for in the GEF operational programmes. For example, the UNEP OzonAction Clearing-house provides a means to disseminate to Governments and industry the results of technology conversion and private-sector participation in GEF ozone-phase-out projects implemented by UNDP and the World Bank;

(b) Institutions with whom UNEP has long-standing and extensive cooperation are encouraged to contribute to GEF activities. This will apply, in particular, to the UNEP partners in international scientific research efforts, the United Nations system, and subregional and regional cooperative frameworks;

(c) GEF provides the opportunity for achieving synergy between UNEP's regular programmes and activities implemented by the other GEF implementing agencies. For example, the UNEP regional seas programme participates in GEF international-waters projects to ensure that there is a mutually supportive relationship with the institutional frameworks and programme priorities of the regional seas conventions;

C. Integrating GEF objectives and activities with UNEP's overall management and programming

14. Integrating GEF activities within UNEP means that the objectives of the GEF should be an integral part of internal decision-making on UNEP's institutional priorities and programmes. The indicators for assessing the effectiveness of integration are as follows:

(a) Internal management and coordination mechanisms have been established in such a way that decision-making concerning the GEF takes place at the highest levels in UNEP. GEF issues will be regular agenda items in meetings of UNEP's governing bodies and senior management. UNEP's programming and budgeting processes will reflect UNEP's strategic objectives for the additional GEF resources;

(b) UNEP regular staff will need to have enhanced information, tools, management guidance and incentives to undertake additional GEF activities. This includes timely communications with programme managers and staff on GEF policies, strategies and operational procedures, as well as relevant advice from the GEF Unit on their implications for UNEP. Achieving integration will also require widely available and useful training and reference material on key GEF requirements such as the logical framework and incremental costs;

(c) Demonstration of associated financing or co-financing of UNEP/GEF activities from the Environment Fund or other sources, where appropriate. However, as noted by the Study of the GEF's Overall Performance, there is need to recognize that UNEP, unlike the World Bank and UNDP, is not a funding agency, but a catalyst for action on the global environment.

III. UNEP'S STRATEGIC OBJECTIVES IN GEF

15. Based on UNEP's programme of work, its role as defined in the GEF Instrument, and the need to ensure complementarity between the two, UNEP has proposed the following five strategic objectives for its GEF work programme:

(a) Contributing to the ability of GEF and countries to make informed strategic and operational decisions on scientific and technical issues in the GEF focal areas;

(b) Relating national and regional environmental priorities to the global environmental objectives of the GEF;

(c) Promoting regional and multi-country cooperation to achieve global environmental benefits;

(d) Catalysing responses to environmental emergencies in the GEF focal areas through short term measures, in accordance with the Operational Strategy; and

(e) Supporting STAP, as the interface between the GEF and the scientific and technical community at the global, regional and national levels.

16. UNEP's GEF activities to achieve these objectives can be categorized in two distinct, but interrelated, groupings of strategic and project activities:

A. Participating in and contributing to the development of GEF policies and strategies, as well as mobilizing scientific and technical expertise for the GEF

17. In accordance with the Instrument, the formulation of GEF operational policy and the determination of GEF strategies are within the mandate of the GEF Council and secretariat. Pursuant to its mandate in the GEF, UNEP will continue to provide, in cooperation with STAP, the necessary scientific, technical and environmental analysis and advice underpinning the formulation of the Council's policies and strategies.

18. Responding to specific GEF demand and building on its regular activities, UNEP working with STAP, will monitor and assess global and regional environmental information related to the four focal areas, and synthesize issues of relevance to the further development of GEF strategies. These can help shape GEF policies and programmes by clearly diagnosing progress and problems, and illustrating environmental trends. In this context, upon the request of the GEF, UNEP with the advice of STAP, could also prepare selected GEF-relevant analyses of methodological issues and options for environmental assessments, inventories and monitoring activities.

19. UNEP will advise GEF through policy analyses that improve understanding of options and strategies, thereby identifying practical measures and innovative solutions. Subject to clearly identified and agreed demand in the GEF, possible issues could include the following:

(a) There are many linkages between the four GEF focal areas and interventions that address such relationships could enhance the effectiveness of the GEF. UNEP addresses all aspects of the environment in its regular programme and is therefore well placed, with STAP, to contribute to the scientific understanding of the interface between focal areas, its consequences for GEF strategies, and options for GEF programming;

(b) A clearer definition of the linkages between global, regional and national environmental benefits of addressing the four focal areas is necessary to promote country-driven GEF projects, incremental-cost analyses, and project sustainability. UNEP could analyse and assist in clarifying the relationship between the global environmental benefits of actions in the four focal areas and national and regional priorities;

(c) It is likely that several GEF interventions could be most effectively accomplished through regional and subregional cooperation. Through its regional perspective, UNEP could examine, identify and mobilize the potentials inherent in regional and subregional cooperation in achieving GEF objectives;

(d) The transfer of technologies is an important element in GEF capacity-building and investment activities. UNEP has played an important role in promoting the adoption of technically proven and environmentally sound technologies. In this regard, UNEP, working with STAP could analyse research and development on environmentally sound technologies and technology management practices that address the GEF focal areas, and synthesize conclusions about their efficacy and future perspectives;

(e) Sound environmental management requires information for developing the science base and for informing governments and the public. UNEP could provide information for decision-making, including assessment, indicators and access to data.

20. The impact of these strategic outputs will depend to a great extent on UNEP's ability to mobilize scientific and technical expertise, particularly through secretariat support to STAP. In carrying out its strategic role, UNEP will look to STAP to provide high quality scientific and technical advice from a broad base of relevant expertise and serve as a conduit to the international scientific and technical community.

B. Implementing specific types of projects that are linked to UNEP's strategic role

21. UNEP will implement selective GEF projects for which it has demonstrated and recognized expertise. .These will include the following areas:

(a) UNEP, with STAP's advice, will play a leading role as an implementing agency for GEF projects that contribute to the ability of GEF and of countries to make informed strategic and operational decisions on scientific and technical issues in programme and project design, implementation and evaluation, through scientific and technical analyses. These will include assessments, targeted research, methodology development and testing, and structured programme learning projects;

(b) UNEP will implement projects that relate national and regional environmental priorities to the global environmental objectives of GEF, through policy and technical advisory services in areas where UNEP has a distinct comparative advantage. These project activities will include assistance for enabling activities to prepare national strategies, action plans and reports; outreach and awareness; and environmental management and policy instruments to implement global and regional conventions;

(c) UNEP's projects will promote regional and multi-country cooperation to achieve global environmental benefits, particularly in international waters and biodiversity - focusing on diagnostic analyses and cooperative mechanisms, and associated institutional strengthening;

(d) Within the Short-Term Measures in the GEF Operational Strategy, UNEP will implement projects that catalyse responses to environmental emergencies, particularly in the biodiversity focal area;

(e) UNEP will implement projects to promote specific technologies and demonstrate methodologies and policy tools that could be replicated on a larger scale by other partners. Many of the projects in this category might be medium-sized projects that introduce innovative approaches;

(f) UNEP will participate in joint projects with the other implementing agencies on the basis of its comparative advantage:

(i) In the ozone focal area, such a framework for joint projects with UNDP is well established. UNEP implements technical assistance, training and institutional strengthening components;

(ii) The Memorandum of Understanding on collaboration between UNDP and UNEP on land degradation projects, as they relate to the GEF focal areas, similarly outlines areas in which UNEP will take the leadership role in GEF projects. These include strategic scientific and technical analyses, such as assessments, monitoring, methodology development and testing, and programme learning; providing guidance on relating GEF-financed activities to inter-country protocols, environmental agreements and regional conventions; development of policy, legal and institutional responses which more fully integrate land degradation with

biodiversity, climate change and international waters activities; and development and management of global, regional and/or transboundary activities which increase technical and scientific knowledge and information exchange;

(iii) In the focal area of international waters, UNEP often manages components in joint projects with the other implementing agencies related to transboundary diagnostic analysis and regional cooperation mechanisms.

22. UNEP's GEF activities recognize the role of UNDP and the World Bank in responding to country needs in capacity building and investments respectively. UNEP's GEF projects will focus on establishing the enabling policy, scientific and technical environment for larger and longer-term assistance from the other agencies. This means that UNEP's projects will generally seek to create and transmit knowledge. In particular, this will involve modest efforts at disseminating ideas, transmitting experiences of other countries, training current and future policy makers and leaders, and fostering informed public debate on global environmental policy issues in civil society. These services could be delivered through joint projects with UNDP and the World Bank, including the GEF country workshops, as well as with other project partners.

IV. MEASURES TO ACHIEVE COMPLEMENTARITY

23. The specific measures to achieve complementarity will require a combination of initiatives with partners as well as internal actions.

A. Initiatives with partners

24. To achieve complementarity between its GEF activities and its core programme, UNEP will strengthen its collaboration with the GEF secretariat, the other implementing agencies, STAP and other traditional partners.

1. Strategic partnerships with the GEF secretariat

25. In his statement to the GEF Council at its twelfth meeting, and based on the initiative of the GEF Chief Executive Officer/Chairman, the Executive Director outlined a proposal for the establishment of strategic partnerships between UNEP and the GEF secretariat. The strategic partnerships could follow up on GEF Assembly mandates and assist GEF in using existing institutional expertise and experience in UNEP. The partnerships could match the supply of UNEP expertise with GEF operational demand. The GEF secretariat and UNEP have begun discussions about the potential scope and modalities for the strategic partnerships. The results of these discussions will be subject to GEF Council approval and periodic review of the specific arrangements.

26. The following three areas of UNEP-GEF secretariat collaboration were suggested by the Executive Director:

(a) Assessment programme (possibly covering scientific and technical analyses and assessments; support to STAP; and mobilization of the scientific and technical communities);

(b) Global environment knowledge management programme (potentially integrating various clearinghouse activities to disseminate policy, scientific and technical information from GEF operations to foster replication); and

(c) Global environmental outreach programme (to assist in the implementation of elements of the GEF Outreach Strategy).

27. The Chief Executive Officer/Chairman of GEF has identified the international waters focal area as another promising area, where UNEP could prepare and implement projects that provide for transboundary components, on the basis of UNEP's programmed support to the regional seas programmes and in fulfillment of the GEF operational programmes.

28. The strategic programmes could consist of project and non-project strategic outputs that would help "underwrite" GEF projects included under enabling activities and operational programmes. The efforts could have a number of broadly similar components:

(a) A review of past and ongoing projects on a specific issue to identify best practice;

(b) Assessing the scale and type of problems, as well as portfolio, knowledge and methodological gaps;

(c) Undertaking applied targeted research to develop and test new methods, particularly on emerging issues; and

(d) Supporting and promoting these efforts with a training and applications development programme as well as information dissemination programme.

2. Strategic linkages with STAP

29. One of the best opportunities for advancing complementarity lies in UNEP's role as the secretariat for STAP. Members of the Panel are also part of UNEP's networks and partnerships with the scientific community. Many of them participate in assessments and other UNEP initiatives. Several UNEP GEF projects, including the Global International Waters Assessment, draw upon the advice and recommendations of STAP. UNEP is committed to strengthening these links, particularly with the scientific work of the UNEP subprogrammes by:

(a) Generating the necessary information and analysis that STAP might need to carry out its advisory and review role in GEF;

(b) Developing UNEP's institutional structure to implement STAP's recommendations for mobilizing the scientific and technical community;

(c) Following up actively in priority areas for targeted research identified by STAP and drawing on STAP's advice on mobilizing scientific and technical expertise for such initiatives; and

(d) Seeking STAP's advice in the preparation of UNEP's outputs at the strategic level, including peer review, identification of experts, and convening of working groups for specialized technical opinions.

3. Collaboration among GEF implementing agencies

30. GEF provides a unique opportunity to develop new modes of collaboration among the three Implementing Agencies. UNEP will continue to promote joint collaboration and partnership with UNDP and the World Bank in order to achieve GEF objectives. UNEP has taken an active part in more than 15 joint GEF projects with UNDP and/or the World Bank. The total value of these projects is more than $76 million.

31. UNEP will explore other opportunities for formal and informal arrangements for inter-agency coordination and cooperation with the following objectives more specifically:

(a) UNEP will, upon request, provide technical expertise to the other agencies' country activities, for example in the focal area of international waters;

(b) Drawing on its partnerships in the scientific community, UNEP, with STAP's advice, will seek to promote the participation of national and regional scientific and technical experts in UNDP and World Bank projects. This responds to a specific recommendation of the overall performance study;

(c) Joint projects with the other agencies provide the mechanism for UNEP to provide its policy and technical advisory services as part of a comprehensive country assistance package, which could include scientific, technical and policy information, capacity-building, and investments.

32. Past experience has demonstrated that effective inter-agency collaboration, which draws on the respective strengths of each implementing agency, has two essential elements. First, joint projects need to be designed with distinct components to be implemented by each implementing agency. Secondly, there need to be institutional frameworks for joint reviews of pipelines aimed at ensuring upstream consultations among the implementing agencies.

33. UNEP will also play a constructive and clearly delineated role in the GEF inter-agency review process for project proposals. UNEP's reviews of UNDP and World Bank projects will be concise and focus on four areas in which UNEP could provide added value:

(a) Global environmental benefits and risks;

(b) Links to UNEP's global and regional programmes and other related activities;

(c) Identifying areas in which UNEP's regular programmes and partners could contribute to project development and implementation; and

(d) Linkages between the GEF focal areas.

4. Programme partnerships

34. UNEP proposes to establish programme partnerships with selected organizations as innovative and cost-effective modalities to delegate certain pipeline-development and project-implementation tasks to these organizations. The partnerships will respond to the GEF Council's request to expand opportunities for executing agencies. The programme partnerships will be developed with the following objectives:

(a) Although UNEP has expertise in many substantive areas relevant to the GEF, it recognizes the need to supplement its capacity to develop and manage "operational" projects by working through other organizations, including Governments and institutions in member countries. Programme partnerships provide a modality for UNEP to assist countries collaboratively with other organizations that have such expertise. UNEP's added value will lie in providing overall coordination, particularly in integrating various scientific, technical and sectoral aspects of projects, and in linking GEF-financed activities to its regular global and regional programmes;

(b) UNEP recognizes that solutions to global environmental problems, to a large extent, are identified by non-governmental organizations, civil society, social groups, business and industry, and other mobilizers of values, policies and expertise. Programme partnerships provide the means to expand opportunities for these entities in GEF, particularly through medium-sized projects. UNEP will explore the possibility of "outsourcing" preliminary project screening functions to contracted non-governmental organizations or consortia of non-governmental organizations. These programme partners would function as intermediaries operating under UNEP's overall guidance;

(c) The need to change behaviour in the private sector is essential in achieving GEF objectives. The establishment of a programme partnership with private-sector entities could influence investment decision-making towards technology and infrastructure investments that yield global environmental benefits.

35. UNEP views this "outsourcing" as an efficient and effective way of integrating other United Nations agencies, scientific organizations, non-governmental organizations, the private sector and other organizations in the work of GEF. Criteria for programme partners will be: project management and technical expertise, field presence, capacity to manage a portfolio of projects, proven track record on the issues, and ability to leverage non-GEF resources. GEF resources for project development, supervision and support costs would be shared between UNEP and the programme partner. UNEP will maintain overall accountability to the GEF for its work programme implemented through such partnerships.

B. Internal measures

36. The implementation of the proposed action plan will also require a number of internal measures to be taken by UNEP at the following levels: management and coordination; incentives; and information and training.

1. Management and coordination

37. UNEP has introduced specific management modalities for in-house coordination and strengthening linkages between UNEP and GEF programmes. These include GEF-related committees and task forces that cut across all divisions, both at the management and staff levels. UNEP is also strengthening linkages between UNEP and GEF programmes through staff training and outreach. Specific responsibilities have been assigned to UNEP's regular programme staff in the management of GEF activities. An important element of this integration is the physical location of GEF project task managers in UNEP's programme units. Detailed Information on these actions were provided in documents GEF/C.12/5 and Add.1 (Complementarity of UNEP's core activities and its GEF interventions: information note on the measures initiated by UNEP to mainstream GEF operations in its regular activities) prepared by UNEP for the GEF Council in October 1998. 1/

38. To further integrate GEF activities with the regular programmes, the new UNEP organizational structure places the GEF Coordination Office under the authority of the Deputy Executive Director, who is also responsible for overall programme coordination and management in UNEP. Significant policy matters relating to GEF will continue to be referred to UNEP's Management Board. In addition, the following steps are being taken by UNEP's Management:

(a) In order to strengthen the commitment and involvement of UNEP's managers in the GEF programme, the GEF Programme Committee will provide strategic and programmatic guidance to the development, implementation and review of UNEP's GEF activities. It is chaired by the Deputy Executive Director and consists of the GEF Executive Coordinator and heads of UNEP divisions. In particular, the GEF Programme Committee is responsible for oversight of the implementation of the present action plan. The Programme Committee also has the mandate to ensure the full engagement of UNEP in the work of STAP;

(b) At the operational level, UNEP/GEF focal area task forces help ensure that UNEP's GEF programme reflects a cross-cutting and global perspective. They are chaired by the GEF Executive Coordinator, supported by the GEF Senior Programme Officers for biodiversity, climate change and international waters respectively, and consist of relevant UNEP programme staff from the divisions as well as UNEP GEF project task managers. The task forces are charged with pipeline and portfolio oversight and coordination functions, as well as routine information exchange with and between UNEP's programmes in each GEF focal area;

1/ Also available as document UNEP/HLC/2/INF/3, annex, and UNEP/HLC/3/INF/4, annex, respectively.

(c) A UNEP/GEF Budget and Fund Management Group will be formed. It will be chaired by the GEF Executive Coordinator, with the Administrative/Fund Management Officer as Secretary, and consist of relevant administrative staff from the United Nations Office at Nairobi and UNEP fund management officers. The group will oversee the introduction of the GEF fee-based system and its application in UNEP's programmes, as well as other resource-allocation and financial-management issues;

(d) At least one GEF focal point will be designated in each division as well as in relevant regional offices of UNEP. Where justified by agreed GEF work plans, these will be GEF-funded staff positions delivering GEF-specific outputs.

2. Incentives

39. A key element of integration is the establishment of incentives in UNEP for staff to work on GEF activities. This requires both management (staff work plans and performance appraisals) and budgetary measures. These incentive systems must be established in response to the recommendation of the Study of the GEF's Overall Performance and will include full payment/reimbursement to UNEP for the implementation of GEF activities. This will also be in harmony with the decisions of the Governing Council on the relationship between the Environment Fund and various trust funds managed by UNEP.

40. The Study of the GEF's Overall Performance recommended that UNEP devise a system of staff incentives to give adequate consideration to GEF work. The Executive Director has therefore decided that UNEP staff involved in GEF activities will have agreed goals and targets included in their Performance Appraisal System process. They will also be granted contracts coterminous with the duration of projects under their supervision. In addition, UNEP's subprogrammes will be compensated from the GEF budget for the time and travel of their staff on internal and inter-agency GEF task forces, as well as other management and coordination structures outlined above.

41. Staff week allocations for GEF activities and associated deliverables will be established annually by the GEF Programme Committee as part of UNEP's GEF budget preparation. Internal resource transfers will be adjusted at the end of the fiscal year based on actual time and outputs.

3. Information and training

42. In order for UNEP to develop a GEF programme that is complementary to its programme of work, and for its staff to have the capacity to function at the strategic and project levels, there will also be a need to invest in additional information and training measures. Actions taken to date in these two areas are described in the above-mentioned document GEF/C.12/5/Add.1.

43. The application of incremental-cost analysis and logical-framework methodologies for designing projects that clearly define baseline and alternative scenarios, and that fit within the GEF operational programmes, is a requirement that is unique to GEF. Moreover, UNEP recognizes the need to improve project-management capacity, particularly monitoring and evaluation skills, in order to effectively implement the additional activities funded by

the GEF. Therefore, UNEP will place special emphasis on staff training and development on the logical-framework approach, especially in the formulation of project performance and impact indicators as they relate to GEF objectives. Another target area for improving staff capacity lies in stakeholder participation with the objective of promoting the involvement of major groups, particularly non-governmental organizations, in all aspects of programme development and throughout the project cycle. Internal information and training will draw substantially on the tools and materials being developed by the implementing agencies in the GEF country workshops programme.

V. TIMEFRAME FOR IMPLEMENTATION

44. The implementation of this action plan will be phased in order for it to be carefully synchronized with the development of UNEP staff resources and technical capacity, growth scenarios in the GEF corporate business plan, and elaboration of needs and institutional modalities with GEF. Taking these factors into account, the implementation of the action plan may be divided into three, somewhat overlapping, stages:

(a) Phase I (through 1999): During this period, implementation measures for the action plan will be finalized. This process includes reaching agreement with GEF on the framework for the strategic partnerships. Work will also commence on the design of the GEF fee-based budget system, including its application in UNEP. Initial proposals for programme partnerships will be discussed with irterested organizations. Deployment and designation of UNEP staff resources for GEF activities will be carried out. Additional modalities for inter-agency collaboration will be explored. Staff training and development measures will be a high priority;

(b) Phase II (late 1999): UNEP will begin initial implementation of the measures identified in the action plan, in consultation with its GEF partners, including the GEF secretariat, the other implementing agencies and STAP;

(c) Phase III (early 2000): With the initiation of the UNEP programme of work for the biennium 2000-2001, and finalization of implementation details with the GEF, the action plan should be fully operational.

CONCLUSION

45. The proposed action plan is a working document, which will be reviewed periodically by UNEP's management and revised as experience is gained. The implementation of the action plan is closely linked to the Executive Director's reform efforts, particularly with respect to strengthening UNEP's core capacities, focusing and prioritizing UNEP's activities, and mobilizing adequate resources for the programme of work.

46. It is expected that the implementation of the action plan will lead to a qualitative and quantitative enhancement of UNEP's GEF work programme over the period 2000-2001. Accordingly, the UNEP/GEF administrative budget should be commensurate with UNEP's new enhanced level of activities as an implementing agency of GEF.